

January 5, 2006

Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
Portals II
445 12th Street, S.W.
Suite TW-A325
Washington, D.C. 20554

Re: RM No. 11299, BellSouth Corporation Petition Rulemaking to Change the
Distribution Methodology for Shared Local Number Portability and
Thousands-Block Number Pooling Costs

Dear Ms. Dortch:

Enclosed please find the Connecticut Department of Public Utility Control's
comments filed in response to the Federal Communications Commission's Public Notice
released on November 21, 2005, in the above noted docket.

Sincerely,

DEPARTMENT OF PUBLIC UTILITY CONTROL

Louise Rickard
Acting Executive Secretary

cc: Deena Shetler
Margaret Dailey

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)	
BellSouth Corporation)	RM No. 11299
)	
Petition for Rulemaking to Change)	
the Distribution Methodology for Shared)	
Local Number Portability and Thousands-Block)	
Number Pooling Costs)	

COMMENTS OF THE CONNECTICUT
DEPARTMENT OF PUBLIC UTILITY CONTROL

Donald W. Downes
Chairman

Jack R. Goldberg
Vice-Chairman

John W. Betkoski, III
Commissioner

Anne C. George
Commissioner

Anthony J. Palermino
Commissioner

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Connecticut Department of
Public Utility Control

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DEPARTMENT OF PUBLIC UTILITY CONTROL

I. INTRODUCTION AND SUMMARY

The Connecticut Department of Public Utility Control (CTDPUC) hereby submits the following comments in response to the Federal Communications Commission's (Commission) Public Notice (Notice) released on November 21, 2005, seeking comments on the BellSouth Corporation (BellSouth) petition to change the distribution methodology for shared local number portability (LNP) and thousands-block number pooling costs.¹ Specifically, BellSouth requests that the Commission initiate a rulemaking proceeding to replace the current method of allocating shared industry costs for LNP and pooling among service providers based on end-user telecommunications

¹ BellSouth Corporation November 3, 2005 Petition for Rulemaking to Change the Distribution Methodology for Shared Local Number Portability and Thousands-Block Number Pooling Costs (Petition).

revenues with a usage-based mechanism that requires carriers to pay for those LNP and pooling costs that they cause.²

As discussed in greater detail below, the CTDPUC does not believe that conditions have sufficiently changed warranting a change in the manner in which these costs are currently recovered. Accordingly, the CTDPUC recommends that the BellSouth Petition be denied.

II. DISCUSSION

BellSouth claims that circumstances have changed since the Commission first established its cost distribution and recovery rules for long-term number portability in 1998.³ BellSouth also claims that thousands-block number pooling is an established number optimization measure that has been in use for more than five years in some areas of the nation with incumbent local exchange carriers (ILEC), competitive local exchange carriers (CLEC) and commercial mobile radio service (CMRS) providers all participating in pooling.⁴ In addition, BellSouth contends that the competitive landscape has changed significantly after the passage of the Telecommunications Act of 1996 (Telcom Act).⁵

In light of these changes, BellSouth suggests that it may be an appropriate time for the Commission to re-examine its rules regarding the distribution of shared LNP and pooling costs. According to BellSouth, the rules are no longer appropriate in light of the realities of the competitive marketplace today and should be changed. Further, acceptance of the Petition is also appropriate because the Commission is re-evaluating

² Notice, p. 1.

³ Petition, p. 11.

⁴ Id.

⁵ Id., p. 12.

the propriety of using revenue-based mechanisms in other contexts (e.g., universal service contribution methodology).⁶

The CTDPUC disagrees and recommends that the Commission deny the Petition. In the opinion of the CTDPUC, the initiation of a rulemaking based on the Petition at the present time is premature. It is clear to the CTDPUC that the Commission's existing cost allocation mechanism to recover number administration and LNP costs from telecommunications carriers is competitively neutral and that the Commission's current cost allocation mechanism continues to be in the public interest by not unduly burdening new entrants to the telecommunications marketplace with an excessive share of these costs. Revising the number administration and LNP cost mechanism to increase the share of those costs allocated could create a barrier to entry to new entrants and more importantly, chill consumer demand for their services should these carriers be forced to raise their prices to reflect this cost increase.

The CTDPUC concurs with BellSouth that the competitive landscape has changed since passage of the Telcom Act. However, the CTDPUC is concerned that the current level of competition in the telecommunications marketplace may not be as robust as that suggested by BellSouth. As currently administered, recovery of those costs ensures that no carrier, technology or service industry segment has an advantage over another based on its past assignment and inventory of telephone numbers. A change in the cost allocation mechanism as suggested by BellSouth could result in the erection of barriers to entry to new service providers thus slowing the adoption and deployment of new technologies.

⁶ Id., p. 15.

Changes in telephone number administration and LNP cost recovery could also impact new service providers entering the market by unnecessarily imposing higher costs on them (than would be assessed under the current practice) thus forcing the new providers to increase their prices to their subscribers. Acceptance of the Petition could also place some carriers at a significant cost advantage over other providers, again negatively affecting the telecommunications marketplace. In either case, consumers would most likely be discouraged from moving to the new carriers, thus defeating the primary goals of the Telcom Act.

Finally, on a related matter, carriers could also be affected by the proposed change if the Commission adopts the BellSouth cost recovery proposal. In particular, carriers may have a disincentive to continue fully actively participating in number pooling. The CTDPUC believes that number conservation efforts have been very successful since their adoption as NANP exhaust dates have continually been extended. It would be a discredit to all those that have worked to extend these dates only to have those efforts unnecessarily wasted resulting from a change in the LNP cost recovery practices.

III. CONCLUSION

The Petition is premature and BellSouth has failed to satisfactorily demonstrate how carriers and ultimately consumers would benefit from a change in the manner in which telephone number administration and LNP costs are recovered. The existing cost

recovery methodology advances the Commission's pro-competitive and numbering resource policies, which absent any evidence to the contrary, requires a change at this time. Accordingly, the CTDPUC recommends that the Petition be denied.

Respectfully submitted,

CONNECTICUT DEPARTMENT OF
PUBLIC UTILITY CONTROL

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Connecticut Department of
Public Utility Control
Ten Franklin Square
New Britain, CT 06051

CERTIFICATION

Miriam L. Theroux
Commissioner of the Superior Court